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Chairman: Mr. Yañez-Barnuevo ..... (Spain)

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The meeting was called to order at [illegible]

Agenda item 79: Report of the United Nations Commission on International Trade Law on the work of its thirty-eighth session (continued) (A/60/17)

1. **Mr. González Campos** (Spain), commenting on the work of UNCITRAL over the past year and observing that the addition of 21 new countries to the Commission in June 2004 was already beginning to yield results, he hoped that the necessary technical and administrative resources would continue to expand accordingly. He also endorsed the appeal made by the representative of Mexico on behalf of the Rio Group for increased financial assistance to enable more States to participate in the meetings of the various working groups.

2. [illegible] the increasing importance of the [illegible] commercial law, [illegible] of electronic commerce was not in question. Clarity and certainty in that area would benefit all States and [illegible] the efficiency of the work of UNCITRAL and encourage its continuing relevance. [illegible] international texts which would be flexible in their application and enhance legal certainty.

3. His delegation welcomed the progress made by Working Group [illegible] in updating the UNCITRAL Model Law on Procurement of Goods, Construction and Services, which would help to promote transparency and efficiency and harmonize procurement laws and practices. [illegible] Working Group IV (Electronic Commerce) and [illegible] Working Group V (Insolvency Law) [illegible] the work [illegible] UNCITRAL Model Law on Cross-Border Insolvency. The draft convention [illegible] the enforcement of foreign arbitral awards [illegible] the settlement of disputes in the context of global trade. [illegible] Working Group III (Transport Law) [illegible] the scope of future work in that area. His delegation supported the proposal [illegible] the Working Group [illegible] the carriage of goods [illegible] sea, [illegible] the Commission [illegible] the preparation of a convention [illegible] the carriage of goods [illegible] sea [illegible] the Hamburg Rules [illegible] the Hague-Visby Rules [illegible] the carriage of goods by sea [illegible] the Working Group

Law on International Commercial Arbitration, especially with regard to interim measures of protection, and agreed that the thirtieth anniversary of the adoption of the UNCITRAL Arbitration Rules in 2006 should be marked by the organization of national and regional workshops to exchange information on the application and possible areas of revision of the Rules.

14. He also commended the progress made in the areas of transport law and security interests, in particular the efforts of Working Group III to move towards the completion and adoption by 2007 of the draft instrument on the carriage of goods [wholly or partly] [by sea]. Over the past two years, some delegations had been conducting informal consultations in that regard, mainly by e-mail, between the sessions of the Working Group. That method had some merits but risked excluding Member States with poor access to the Internet. A procedure should therefore be established for updating other members of the Commission on the progress of informal consultations. With regard to future work on insolvency law, Nigeria endorsed the plan to hold an international colloquium in Vienna in November 2005.

15. Nigeria continued to support the collection and dissemination of case law on UNCITRAL texts and welcomed the fact that 46 issues of CLOUT, dealing with 530 cases, had been prepared for publication.

16. Trade remained one of the central pillars for maintaining solid relations among States. The Commission should therefore be unrelenting in its efforts to fulfil its mandate and should continue to cooperate with like-minded bodies and individuals to further its objectives. Furthermore, given the alarming increase in commercial fraud, Nigeria welcomed the Commission's willingness to work with the United Nations Office on Drugs and Crime (UNODC) on the preparation of a study on fraud and to develop useful practices, guidelines or other materials on that basis. Those joint efforts should help reduce the menace of commercial fraud and its negative impact on international business relations and national development.

17. With regard to training and technical assistance, Nigeria expressed its appreciation to those countries that had contributed to the UNCITRAL Trust Fund for Symposia. However, it was regrettable that no contributions had been made to the Trust Fund for Travel Assistance, resulting in insufficient participation

by delegations from developing countries in the work of the Commission. Nigeria therefore echoed the Commission's appeal for generous contributions to that Trust Fund. It also urged Member States to consider the need for more regular and predictable funding and to remove agricultural subsidies and high import tariffs that impeded the Commission's efforts to harmonize international trade.

18. **Mr. Adsett** (Canada) said that the harmonization of commercial law was a key element in the development of international trade, providing more consistent national laws so as to ensure a climate conducive to business. The draft convention on the use of electronic communications in international contracts, for example, would foster international trade by ensuring that such contracts would be valid regardless of whether they were in paper or electronic form. His Government had adopted legislation based largely on UNCITRAL's work in the area of electronic commerce.

19. The ongoing work of the Commission in the areas of arbitration, procurement, security interests and transport law would be of great value. His Government also welcomed its work on the extension of the insolvency law to include cross-border insolvency issues and urged other States to participate in such work.

20. His delegation continued to be concerned about the application to the work of UNCITRAL of United Nations directives on limiting the length of Secretariat reports to 16 to 20 pages. Full reporting of UNCITRAL deliberations, including the reasoning behind the choices made in drafting its texts, helped States to understand the policy considerations underlying provisions of a given instrument and was important for the interpretation and application of UNCITRAL instruments. Canada would therefore welcome the opportunity to discuss with others how such critical information might be made available in a cost-effective manner.

21. **Mr. Muchemi** (Kenya) said that the international trading system could function effectively only in the presence of a comprehensive and harmonized international legal regime of the type promoted by the Commission since its establishment. Kenya welcomed the finalization and adoption of the draft convention on the use of electronic communications in international contracts. However, many developing countries faced technological difficulties that might delay their full acceptance and application of the draft convention. He therefore urged UNCITRAL, in its technical assistance programmes, to address the digital divide in the area of international electronic commerce so as to enable universal implementation of the draft convention.

22. Kenya welcomed the establishment of the legislative and technical assistance units within the UNCITRAL secretariat and reiterated the Commission's appeal for generous donations to the Trust Fund for Travel Assistance. It was a matter of concern that, despite repeated appeals for donations, no contributions to that Trust Fund had been received since the Commission's thirty-seventh session, with the result that the meetings of the Commission and its Working Groups were increasingly dominated by experts from developed countries who could afford the cost of regular travel to New York or Vienna. The Commission should therefore seriously consider exploring other methods of raising funds for travel assistance in order to supplement voluntary contributions.

23. He commended the progress made by the various Working Groups of the Commission in their respective projects, in particular the ongoing review of the UNCITRAL Model Laws on Procurement of Goods, Construction and Services and on International Commercial Arbitration and the work on the draft instrument on the carriage of goods [wholly or partly] [by sea]. With regard to security interests, he urged the Commission to increase its collaboration with other international agencies. In particular, the World Bank and the International Monetary Fund had already established guidelines on insolvency and creditor rights systems that might need to be harmonized with the work of UNCITRAL in order to prevent conflicts and duplication.

24. Some delegations had expressed concern, during the thirty-eighth session of the Commission, at the lack of transparency in the convening of informal meetings of the Working Groups. He called upon the Commission to address those concerns at its future meetings.

25. Kenya welcomed the continuing work on the collection and dissemination of case law on UNCITRAL texts (CLOUT), which was an important aspect of overall training and technical assistance activities. The wide distribution of CLOUT texts

promoted the uniform interpretation and application of UNCITRAL texts by facilitating access to decisions and awards from many jurisdictions.

26. Kenya had demonstrated its commitment to and recognition of the value of the Commission's work by implementing some of the main UNCITRAL instruments at the national level. It was a party to the United Nations Convention on the Carriage of Goods by Sea and the Convention on the Recognition and Enforcement of Foreign Arbitral Awards. It had also enacted legislation based on the UNCITRAL Model Law on International Commercial Arbitration and the UNCITRAL Model Law on Procurement of Goods, Construction and Services. It was in the process of enacting and amending other legislation relating to commercial law, using UNCITRAL texts as a reference point.

27. **Mr. Jiti** (India) observed that the thirty-eighth session of UNCITRAL had been very productive and said the approval by the Commission of the draft convention on the use of electronic communications in international contracts would help to harmonize domestic legislation and overcome legal uncertainty in international business transactions. The convention incorporated many of the essential principles of the Model Law on Electronic Commerce, including party autonomy and legal recognition of electronic communications. Some principles had been significantly modified for the sake of legal certainty, especially provisions on the time and place of dispatch and receipt of electronic communications. New principles had also been incorporated in the draft convention, including invitations to make offers and the use of automated message systems, which mainly addressed legal concerns that had arisen since the adoption of the Model Law in 1996.

28. His delegation would like to express its appreciation to Working Group IV (Electronic Commerce) for providing a readily accessible model for online contracts dealing with the sale of goods. Earlier UNCITRAL initiatives in electronic commerce had taken the form of model laws which signatories could choose to follow in domestic legislation. The present instrument, however, went much further. If it was adopted, signatories would be agreeing to directly recognize common terms in contract law.

29. Working Group II (Arbitration and Conciliation) had made efforts to reconcile differing positions on the issue of ex parte interim measures. One such effort was the new opting-out proposal relating to draft article 17 of the Model Law on International Commercial Arbitration. An opting-in clause would be more appropriate than an opting-out provision, as it would give the parties discretion to choose preliminary orders if required in the light of the nature of the dispute.

30. Working Group III (Transport Law) had made progress on a number of difficult issues. At its fifteenth session, the Working Group had focused on issues relating to freedom of contract, jurisdiction and arbitration. The issue of freedom of contract had gained momentum in Working Group III because of a proposal for inclusion of volume contracts within the scope of the draft legal instrument. Traditionally, those contracts were excluded from contracts on the carriage of goods. However, in view of the increasing number of such contracts in practice, the Working Group had agreed to its inclusion in the draft legal instrument, but it had reiterated that such contracts should not derogate "from the mandatory provisions on maritime safety, liability, jurisdiction and protection of third parties". The Working Group had accepted a "one-way" approach whereby liability could not be reduced contractually but could be enhanced. His delegation welcomed the inclusion of new provisions in the field of international transportation on right of control and transfer of rights.

31. His delegation also noted with satisfaction the progress made in other Working Groups and was confident that the Commission would be able to carry out its ambitious plans for further development of the international legal instruments in the field of international trade law.

32. **Mr. Tajima** (Japan) noted the progress made in revising the UNCITRAL Model Law on Procurement of Goods, Construction and Services. While that instrument needed to be adjusted to changing circumstances, particularly the growing use of electronic communications, it had contributed significantly to the unification and coordination of domestic laws, and hence to the development of international trade.

33. With regard to the Commission's work on arbitration, he observed that alternative dispute resolution, which included arbitration, had become more important as a means of facilitating the swift settlement of disputes. Japan, whose Arbitration Act

had been amended in accordance with the UNCITRAL Model Law on International Commercial Arbitration, had followed with interest the discussion in Working Group II concerning the amendment of the Model Law, the possible requirement that arbitration agreements should be in written form, and interim protection measures, and it looked forward to further progress.

34. The work on transport law with respect to the international carriage of goods by sea was especially important because it should in due course facilitate the resolution of problems not addressed by existing legal frameworks. However, some difficult issues concerning the draft instrument, including that of its scope of application, still had to be resolved.

35. Japan welcomed the approval of the draft convention on the use of electronic communications in international contracts, which should facilitate the harmonization of the relevant domestic laws.

36. With regard to insolvency law, Japan hoped that each country's domestic laws would be drafted in accordance with the UNCITRAL legislative Guide on Insolvency Law, as that would enhance the reliability and efficiency of insolvency procedures.

37. Japan considered it essential to formulate a legislative guide for security interests in goods, as that would promote the provision of credit and enhance economic growth and international trade. At the same time, it was important to consider the coordination of each country's existing national legislation in that area with a view to developing a harmonized international legal regime. The formulation of such a regime would entail addressing the difficult question of how to treat the rules of private international law.

38. **Mr. Medrek** (Morocco) said that, as a member of UNCITRAL, Morocco continued to follow its work with great interest, noting in particular the approval of the draft convention on the use of electronic communications in international contracts. It was to be hoped that the instrument would be adopted by the General Assembly at the current session, as it would promote economic development and reduce the risk of abuse and commercial fraud.

39. The Model Law on Procurement, while representing at the international level a milestone in the reform of the law governing procurement practices, might usefully be updated to take into account new practices such as the use of electronic communications in that area and the experience gained from its application as a basis for the reform of procurement legislation.

40. As for the work on arbitration and conciliation, in particular the proposed revision of article 17, paragraph 7, of the Model Law on International Commercial Arbitration, two further sessions should suffice for Working Group II to complete its work in 2006. Upon its completion, priority should be given to the issues relating to arbitrability, in particular the arbitrability of intra-corporate disputes, but also arbitrability in the fields of immovable property, insolvency and unfair competition.

41. He welcomed the progress made by Working Group VI (Security Interests), notably in regard to the set of legislative recommendations, and in regard to coordination with other organizations active in that field. He also commended the continuing work under the system for the collection and dissemination of case law on UNCITRAL texts (CLOUT), which was an important tool for UNCITRAL training and technical assistance activities and should receive the widest possible dissemination. The secretariat was to be commended for defining the goals of the technical assistance unit and for beginning to identify national and regional needs for technical assistance, in conjunction with national, regional and international organizations and permanent missions to the United Nations, as well as opportunities for the development of joint programmes with and participation in existing programmes of organizations providing technical assistance to trade law reforms.

42. He thanked the States and organizations that had contributed to the Trust Fund for Symposia and appealed to all concerned for additional contributions so as to enable the secretariat to meet the increasing technical assistance needs of developing countries and countries in transition, especially those in Africa.

43. **Ms. Taj El Dine** (Bolivarian Republic of Venezuela) said that UNCITRAL was making a valuable contribution to the harmonization and progressive unification of international trade law, with due regard for the interests of developing countries. However, certain areas remained within the exclusive limits of each State's domestic legislation or traditions and UNCITRAL should therefore not seek to regulate them.

44. Her country supported the Commission's efforts to improve its coordination with other bodies of the United Nations system concerned with international trade law, with a view to avoiding duplication of effort. Such coordination would help to promote the unification and harmonization of international trade law. Her country also supported the strengthening of the UNCITRAL secretariat, which would entail the provision of the necessary resources.

45. In its work on transport law, the Commission should concern itself solely with the carriage of goods by sea; the scope of the legislative instrument should not be expanded to cover multimodal transport operations. On the subject of electronic commerce, the rules established were important to her country, since its customs regulations did not provide for import duties on digital or electronic products. During the moratorium granted by the World Trade Organization, the relevant tax authorities should accordingly study in depth the technical feasibility and advisability of establishing legal votes for electronic transmissions. Given the importance of provisions on jurisdiction in the field of economic commerce, it would be preferable to establish basic principles rather than proposing rules covering its jurisdiction and the choice of law by private parties or providing solutions for every type of operation. In any case, her country, in accordance with its Constitution, did not admit choice of jurisdiction of the applicable law in the case of public-interest contracts.

46. Similarly, her country was not a party to any treaty on cross-border insolvency, which was not recognized by its laws. It therefore welcomed the formulation by UNCITRAL of the Model Law on Cross-Border Insolvency, together with a guide for its incorporation into domestic law, which offered a rapid and simple means of updating private international law without prejudice to the Constitution, public order or the interests of the country.

47. Her country welcomed the progress made with regard to international commercial arbitration, but emphasized that in the case of public-interest contracts its Constitution provided that its national courts had exclusive jurisdiction and that its domestic law must be applied.

48. Her country supported the Commission's training and technical legislative assistance programme and its information seminar and mission, and considered that travel assistance should be provided to developing countries that were members of the Commission.

49. **Ms. Lyubalina** (Russian Federation) commended the Commission's report and said that the Commission had been very productive. However, the late submission of the report owing to translation delays had not allowed delegations enough time to give due consideration to its content.

50. The adoption of the draft convention on the use of electronic communications in international contracts was the Commission's most significant achievement at its thirty-eighth session. The convention was the result of years of painstaking effort and would strengthen the fundamental legal principles and rules governing cross-border electronic trade. Such an instrument had become necessary because of the significant growth in trade operations involving modern technology and the widespread use of electronic communications in international contracts.

51. Although the draft convention dealt with only a limited number of issues, its adoption established a good basis for the promotion of electronic commerce and the development of business. However, much remained to be done to build trust in electronic commerce. It would also be useful to define areas in which the Commission might conduct future regulatory work so as to promote coordination with other organizations in order to avoid duplication.

52. She recalled that several States, including the Russian Federation, had proposed that the provisions of the draft convention concerning regional economic integration organizations should be broadened so as to cover international organizations generally. Regrettably, that proposal had not received sufficient support.

53. Her delegation commended the work of all the Working Groups, in particular Working Group I (Procurement), which had already begun preparing proposals for the revision of the Model Law, covering inter alia the use of electronic communications in the procurement process. Lastly, her delegation welcomed the continuing work on a legislative instrument on issues relating to the international carriage of goods by sea and commended the activities of the Commission in other areas such as arbitration and security interests.

54. **Mr. Guan Jin** (China) congratulated UNCITRAL on the approval of the draft convention on the use of electronic communications in international contracting

and on the high quality and efficiency of its work. China participated actively in the work of the UNCITRAL Working Groups and Chinese delegates from various backgrounds participated in UNCITRAL's thematic activities with a view to better disseminating the results of UNCITRAL's work in China. The diverse character of the Commission's membership was an asset making its work forward-looking, authoritative and representative. The topics currently under consideration focused on international trade issues to which an integrated and coordinated response was urgently needed at the national and regional levels. In order to gain wider acceptance of the legal instruments it prepared, the Commission should take greater account in its drafting work of the views of all parties and of the differing situations of the various countries. It should also do more to raise public awareness concerning those instruments, in particular by strengthening technical training in developing countries so that they might better benefit from its work.

55. **Mr. Tugio** (Indonesia) noted the important work done by UNCITRAL in promoting the development and harmonization of international trade law and commended the Commission for taking practices and legal systems in all regions into account when formulating its conventions and model laws, thereby ensuring that those instruments could be applied universally once they entered into force. In particular, he congratulated UNCITRAL on the finalization of the draft convention on the use of electronic communications in international contracts, which was an important step towards eliminating legal obstacles to electronic commerce.

56. Given the advances in technology, it was important that the draft convention should build confidence in the use of electronic communication while simultaneously curbing possible abuses and commercial fraud. By so doing, it could serve as a useful basis for simplifying domestic rules on electronic commerce. Because transactions involving electronic commerce were likely to grow rapidly in developing countries in the coming years, it was important to have standard regulations which could facilitate that growth. He suggested that UNCITRAL should render technical assistance to developing countries to enable them to study the draft convention thoroughly before they implemented it at the domestic level, thus encouraging broader participation in such commerce.

57. **Mr. Kanu** (Sierra Leone) said that the completion by UNCITRAL of the draft convention on the use of electronic communications in international contracts was a significant contribution to the development of international contract law and an important tool for the establishment of a sound environment for electronic contracting and economic development. His delegation attached great importance to the work of the Commission in other areas of international trade, including arbitration, security interests, transport law and procurement.

58. Many lawyers in developing countries, especially in West Africa, had tended to consider trade law harmonization as a luxury. Fortunately, such a misconception had changed dramatically and developing countries now viewed UNCITRAL as an invaluable source of inspiration and assistance in their struggles to participate fully in the global economy.

59. The June 2005 meeting of the Group of 77 and China in Doha had been a stark reminder of the great desire of developing countries to share in the benefits of the global economy through sustainable development. The economies of developing countries must be integrated into the global market and a solid foundation laid for business to thrive in their domestic markets. There was therefore a need for the developing countries to adjust their laws and policies to promote trade. The texts prepared by UNCITRAL were reliable sources for such an adjustment. Lastly, the organizers of forthcoming conferences on matters pertaining to UNCITRAL should endeavour to encourage the widest possible participation by providing assistance to delegations from developing countries which, owing to budgetary constraints, might otherwise be unable to take part.

60. **Mr. Makarowski** (Sweden), speaking on behalf of the five Nordic countries (Denmark, Finland, Iceland, Norway, and Sweden), said that his delegation welcomed the Commission's report on the work of its thirty-eighth session. The work of UNCITRAL was productive and highly successful in developing international trade law. International cooperation in that field was necessary in order to achieve effective trade, which was essential for economic development. The approval by the Commission of the new convention on the use of electronic communications in

international contracts was another important step forward in the development of international trade law. The draft convention provided, among other things, a common solution to remove obstacles to the use of electronic communications in a manner acceptable to States with different legal, social and economic systems. The Commission was also making progress in other Working Groups, one example being the important work done in Working Group III (Transport Law), which was striking the right balance in formulating the new instrument on issues relating to the international carriage of goods by sea. The Nordic countries attached great importance to the work of UNCITRAL and would continue contributing to the further development of international trade law in order to promote economic development.

61. **Mr. Ascencio** (Mexico) welcomed the approval of the convention on the use of electronic communications in international contracts, which met the need to establish a mandatory international regime governing the use of electronic media in cross-border trade and would provide greater transparency and legal certainty in that area. He commended the work of Working Group II (Arbitration and Conciliation), and, with regard to the form of arbitration agreements, suggested that the requirement that they be in written form should be eliminated, thus bringing arbitration practice into line with commercial contract practice. He hoped that the necessary consensus in that regard would be achieved soon, so that the requisite changes to article 17, paragraph 7, of the Model Law on International Commercial Arbitration could be made in the first half of 2006.

62. His delegation noted the progress made in the preparation of the legislative guide on security interests, which would contribute to the development of a broad and modern legal regime that would ensure efficient regulation in that regard. It therefore supported the studies and consultations necessary to achieve a consensus on the substantive aspects of the guide.

63. With regard to revision of the Model Law on Procurement of Goods, Construction and Services, studies and consultations were likewise necessary in order to arrive at a comprehensive approach covering all aspects of the topic, thus promoting modernization and competitiveness in the field of government procurement.

64. **Ms. Wilcox** (United States of America) observed that the Commission had maintained its technical and non-politicized approach to commercial and economic law reform and had focused on the promotion of trade in all geographic regions and for States at all levels of development. The Commission and its Working Groups had recognized that, despite liberalization of trade through agreements, many cross-border transactions either did not take place or took place under unfavourable terms because of the failure to upgrade commercial laws. The Commission's work could help to close that gap for many countries.

65. The United States Congress had recently incorporated the UNCITRAL Model Law on Cross-Border Insolvency in its legislation and encouraged other States to adopt the Model Law in recognition of the Commission's effective technical work on economic and commercial law.

66. The recent completion of the draft convention on the use of electronic communications in international contracts and the publication of the new UNCITRAL Legislative Guide on Insolvency Law were significant achievements. The draft convention would facilitate world commerce by promoting a baseline of international rules validating the use of electronic messaging in contractual matters. That would expand the scope of modern electronic commerce law, especially in developing countries, thus enabling them to reduce existing gaps in their access to new electronic commerce and Internet markets. It would also enable States to upgrade existing treaties.

67. Her delegation welcomed the continuing efforts of Working Group I (Procurement), Working Group II (Arbitration and Conciliation), Working Group III (Transport Law), and Working Group VI (Security Interests). It supported the process that had brought the goal of concluding a draft instrument on the carriage of goods within reach and noted that while a number of sources had made recommendations, Working Group III and the Commission remained the final arbiters of all proposals. Her delegation also welcomed the progress made in developing principles on secured financing. The test for any provision of the legislative guide on security interests should be whether it promoted greater availability and lowered the cost of secured finance, especially for developing countries. If economic performance standards were adhered to, implementation of the Commission's legislative

recommendations could help many countries to promote growth.

68. Lastly, her delegation supported the secretariat's work aimed at developing information through international colloquiums and expert meetings, including plans to explore ways to combat commercial fraud, which threatened the stability of markets. It commended the secretariat for holding meetings on the issue, as appropriate, with the United Nations Office on Drugs and Crime.

69. **Mr. Pinzón Sánchez** (Chairman of the United Nations Commission on International Trade Law (UNCITRAL)), responding to the comments made by delegations, said that one key aspect of the work of UNCITRAL was its internal consistency and its self-generating dynamic. Thus, for example, the recently completed draft convention on the use of electronic communications in international contracts had followed naturally from the conclusion of the UNCITRAL Model Law on Electronic Signatures in 2001. The same was true of other projects currently under consideration by the Commission, such as the work on updating the UNCITRAL Model Law on Procurement of Goods, Construction and Services and the UNCITRAL Model Law on International Commercial Arbitration. As for future work, he drew attention to the Commission's consideration of possible developments in the area of insolvency law. Following the adoption of the UNCITRAL Legislative Guide on Insolvency Law in 2004, an element of continuity had been shown with the proposal to concentrate on cross-border insolvency protocols in insolvency cases. Work would also continue on international contracts and international cooperation.

70. He commended the efforts of the secretariat, which had contributed greatly to the Commission's work and could do more if it were provided with increased financial resources. With regard to specific points that had been raised, he fully endorsed the view that developing countries should be more involved in the Commission's work. He was also confident that the issue of the use of all six official languages, to which the Commission attached great importance, would shortly be resolved.

Agenda item 155: Observer status for the Latin American Integration Association in the General Assembly (A/60/141 and A/C.6/60/L.3)

71. **Mr. Ortega** (Ecuador), speaking on behalf of the member States of the Latin American Integration Association (ALADI) (Argentina, Bolivia, Brazil, Chile, Colombia, Cuba, Ecuador, Mexico, Paraguay, Peru, Uruguay and the Bolivarian Republic of Venezuela) said that ALADI was an international organization of an intergovernmental character whose objective was to promote the social and economic development of the 12 member States, with a view to the creation of a Latin American common market. Its constitutive treaty, adopted in 1980, established the general principles on which it was based: economic and political pluralism; progressive convergence of activities aimed at creating a Latin American common market; establishment of differential treatment based on the development level of member States; and variety in methods of agreement on commercial instruments.

72. Regional agreements within the framework of ALADI had covered such diverse issues as tax relief and trade promotion; economic complementarity; agricultural trade; financial, tax, customs and health cooperation; preservation of the environment; technological and scientific cooperation; and promotion of tourism. The Association's juridical structure included a wide range of subregional, multilateral and bilateral agreements on integration. It was therefore ALADI which must develop activities to promote regional integration efforts that would naturally tend to the creation of a common economic space. Interaction between ALADI and the United Nations would enhance regional cooperation. He therefore urged the Committee to recommend that ALADI should be granted observer status in the General Assembly.

73. **Mr. Malpede** (Argentina), speaking on behalf of the Rio Group, said that the framework provided by ALADI was of great importance to Latin America. The granting of observer status in the General Assembly would enable the member States of ALADI, which was the largest integration group within Latin America, to interact more fully with other countries, to their mutual benefit.

74. **Ms. Rivero** (Uruguay) said that her delegation wished to emphasize the importance that ALADI

attached to obtaining observer status in the General Assembly. More effective cooperation between ALADI and the United Nations would be of great assistance in promoting economic and social development in the region, a goal for which both organizations strove.

Agenda item 156: Observer status for the Common Fund for Commodities in the General Assembly (A/60/191 and A/C.6/60/L.2)

75. **Ms. Taj** (United Republic of Tanzania) urged the Committee to support the granting of observer status for the Common Fund for Commodities in the General Assembly. The overriding objective of the Fund, which was described in detail in document A/60/191, was the alleviation of poverty. Established by the United Nations Conference on Trade and Development (UNCTAD), it was charged with supporting commodity-dependent developing countries in their social and economic development through the financing of commodity-focused projects. The Fund was applying for observer status because of the compatibility of its work with that of the United Nations: both sought to enhance the development of commodity producers and their societies. The granting of observer status would enable the two organizations to share information on the implementation of various United Nations and Fund programmes, thus achieving coherence in international efforts to alleviate poverty. Lastly, she informed the Committee that the delegations of Ethiopia, Ghana, Madagascar, Sierra Leone, Spain, Uganda and the United Kingdom had become sponsors of draft resolution A/C.6/60/L.2.

76. **Mr. Muchemi** (Kenya) said that the Fund was an autonomous intergovernmental organization established within the framework of the United Nations. It provided its members with support on commodity-development measures aimed at improving structural conditions in markets and enhancing their long-term competitiveness. Many countries, including his own, whose economies depended largely on commodities had benefited, and continued to benefit, from the Fund's activities. If invited to participate in General Assembly sessions in the capacity of observer, the Fund could share experiences and good practices in its area of specialization. His delegation therefore hoped that the Committee would recommend the adoption of draft resolution A/C.6/60/L.2.

The meeting rose at 12.25 p.m.